



**VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT**  
*Partners for Better Communities*

## **Virginia Housing Trust Fund- Trust Stabilization Program – Request for Qualifications**

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### **Program Description**

#### **Virginia Trust Stabilization Program**

As part of the Trust Fund's response to the ongoing effects of home foreclosures in Virginia, \$1 million has been set aside for a demonstration program, the Virginia Trust Stabilization Program, to assist in transforming previously foreclosed homes into community assets. Working with locally-based organizations meeting eligibility criteria, eligible homes, primarily lender-owned (REO) properties in the areas hardest hit by the foreclosure crisis, will be acquired, rehabilitated, and resold to first time homebuyers.

#### **Eligible Uses**

The program will offer deferred, potentially forgivable, loans of up to \$20,000 per unit for remediating deficiencies in the condition of the home and placing it in a marketable state. TSP funds used for rehabilitation purposes must be secured with the property for a term of no less than 10 years. The investment of TSP resources for rehabilitation will be forgiven proportionally over this 10-year period. If the home is sold before the ten year commitment, a proportional amount of funds must be returned to DHCD. These funds will be used to subsequently fund similar activities.

All activities funded through TSP will benefit individuals and families at or below 120% area median income (AMI).

Eligible organizations include:

- Localities;
- Local government housing authorities
- Regional or statewide housing assistance organizations to include non profits that provide assistance to low and moderate income or low-income citizens of Virginia

#### **Option 1**

The Commonwealth has spent the last four years creating and refining a very effective means for acquiring, rehabbing, and selling foreclosed homes. Through the Virginia Neighborhood Stabilization Program (NSP) program, an initial allocation of \$43.7 million has been leveraged into a nearly \$65 million program which has acquired and rehabbed more than 300 properties and resold more than 217 homes, with 27 supportive service units, in the areas of the state hardest hit by the foreclosure issues. Through this time a very productive and dynamic network of grantees has been developed to deliver the program. These grantees have either through their

own capacity or through their partners, developed a means to identify, acquire, and rehab foreclosed properties, as well as foster a pipeline of interested and qualified homebuyers. The network has been very successful in bringing other resources to bear, through programs such as CDBG, HOME, local resources, VIDA, VHDA, and other sources, to create a highly leveraged program. Under this option, a maximum loan of \$10,000 through TSP funds would be made available to TSP awarded NSP Grantees to further enhance the available leverage resources, providing another source for property rehabilitation while at the same time, helping to stretch NSP funds. All existing NSP guidelines would apply to option 1.

## Option 2

Grantees would be granted increased flexibility to utilize TSP funds outside of those areas targeted by NSP1 or 3. In those instances, NSP resources would not be allowed since the properties would not fall within a NSP-defined area, however, NSP grantees could still use other non-NSP leverage funds to complete the process, and prospective homebuyers in the grantees' pipeline to benefit from alternative housing locations. Under this option the Grantee would acquire the home using their own line of credit, renovate the home with TSP using other leveraged sources if necessary, and resell the property at fair market value. The net proceeds of the sale would be split 60/40; with 40% of the net proceeds being returned to DHCD as program income to continue the acquisition, renovation, and resale of REO properties in the regions hardest hit by foreclosure.

## RFQ Directions

The Virginia Trust Stabilization Program RFQ will be live on our website effective 5/15/2013. In order to gauge current capacity and experience to perform core functions all interested parties must submit their response to the RFQ by close of business ( 5:00 pm EST) on 5/31/13 to Cheri Miles via email: [Cheri.Miles@dhcd.virginia.gov](mailto:Cheri.Miles@dhcd.virginia.gov). To be considered respondents must respond to each numbered core function/capacity issue and address each alphabetized bullet. Please provide detailed information within each core function/capacity. All interested parties must meet all six core functions/ capacities to qualify in order to be invited to move to the application phase.

**Applications will be submitted electronically through the Agency's Centralized Application and Management System (CAMS).** The application will be live by 6/7/2013 with applications due by 6/14/2013. If invited to apply you must register within the CAMS system and complete an organizational profile. The registration is free and located on our webpage ([www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)). A user guide is located on the home page, however if you have any questions in completing your registration you may contact Douglas Ellis via email: [Douglas.ellis@dhcd.virginia.gov](mailto:Douglas.ellis@dhcd.virginia.gov).

## Request for Qualifications

1. Regional Approach
  - a. Demonstrated understanding of the local housing market including the foreclosure market
  - b. Ability to work in a regional area encompassing three or more cities, towns, or counties.
  - c. Demonstrating strong potential for quickly restoring units to homeownership
2. Acquisition
  - a. Provide details of unsecured/secured line of credit with a minimum \$500,000 limit.
  - b. Ability to obtain approval on an unsecured/secured LOC with minimum \$500,000.00 limit within 30 days of TSP contract.
  - c. Prior Neighborhood Stabilization Program experience in acquiring REO, tax sale, and /or foreclosed auction properties
3. Rehabilitation
  - a. Perform a scope of work, accurate estimates and bids for renovation of residential unit
  - b. Solicit and procure licensed contractors in local service area
  - c. Evaluate qualifications and award bid
  - d. Monitor, evaluate and provide progress reports
  - e. Have, or have access to licensed risk assessor, lead paint protocols
4. Project Management
  - a. Prior organizational experience in administering a Neighborhood Stabilization Program project and/or DHCD housing rehab project
  - b. Experience staff to include housing counselor, rehab specialist, grant administrator, accounting staff
  - c. Established partnerships with lenders, servicers, realtors, title companies, appraisers, and attorneys.
  - d. Prior experience with SharePoint /DHCD's monitoring site for TSP documentation
5. Financial
  - a. Experienced accounting staff
  - b. Established accounting system for rehab of multiple housing units in different areas
  - c. Ability to monitor budget and expenses and provide supporting documents for reimbursement
  - d. Demonstrated line of credit to work on reimbursement basis
  - e. Experience in leveraging additional match funds: NSP under TSP Option 1, FHLBAT, STOP, HOME, etc.
6. Marketing
  - a. Exhibit knowledge on outreach and marketing to identify and attract qualified LMMI first time homebuyers
  - b. HUD approved Housing Counselor on staff or MOU with HUD approved Housing Counselor to provide homebuyer education

- c. Established pipeline of potential homebuyers
- d. Demonstrated outreach to community lenders, employers, other nonprofits
- e. Capacity to resell homes as for sale by owner or provide small flat fee to listing realtor